CBOE EXECUTE SUCCESS℠

CBOE Research Circular #RS14-188

Date: **April 7, 2014**

To: Permit Holders
From: Scott Speer
RE: China Digital TV Holding Co., Ltd. ("STV")
CONTRACT ADJUSTMENT FOR SPECIAL CASH DIVIDEND
Ex-Date: April 10, 2014

China Digital TV Holding Co., Ltd. ("STV") has announced a special cash dividend of **$0.48** Cash ($0.50 - $0.02 ADR Fee) per STV American Depositary Share (ADS). The record date is April 14, 2014. The payable date will be on a date to be announced. **The ex-distribution date will be on Thursday, April 10, 2014.**

THE FOREGOING DISCUSSION IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE SPECIAL DIVIDEND, PREPARED BY CBOE FOR THE CONVENIENCE OF ITS PERMIT HOLDERS. CBOE ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS SUMMARY. PERMIT HOLDERS SHOULD REFER TO THE CHINA DIGITAL TV HOLDING CO., LTD. PRESS RELEASE DATED APRIL 2, 2014, FOR THE AUTHORITATIVE DESCRIPTION OF THE SPECIAL CASH DIVIDEND AND ALL OF ITS TERMS AND CONDITIONS.

Contract Adjustment for the Special cash Dividend

Pursuant to OCC rules (Article VI, Section 11 and 11A), all outstanding STV option series will be adjusted to reflect this special cash dividend on the ex-distribution date, at 8:30 A.M. Chicago time. **On Thursday, April 10, 2014, each STV series shall be adjusted by decreasing the strike price by $0.48, the amount of the cash dividend.** The option symbol for the adjusted contracts will remain the same. Premiums and strike-price amounts for the adjusted STV options will continue to be calculated on the basis of a multiplier of 100, *i.e.,* for premium and strike-price extensions, 1 point of premium or strike price will equal $100. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

Adjusted Option Symbols

On Thursday, April 10, 2014, trading in STV series will be on an adjusted basis. At 8:30 A.M., Chicago time, an opening rotation will be effected with the following adjustments:

EXISTING SERIES					ADJUSTED SERIES*			
STV	2.50	2014-04-19	C/P	=>	STV	2.02	2014-04-19	C/P
STV	5.00	2014-04-19	C/P	=>	STV	4.52	2014-04-19	C/P
STV	7.50	2014-04-19	C/P	=>	STV	7.02	2014-04-19	C/P
STV	2.50	2014-05-17	C/P	=>	STV	2.02	2014-05-17	C/P
STV	5.00	2014-05-17	C/P	=>	STV	4.52	2014-05-17	C/P
STV	7.50	2014-05-17	C/P	=>	STV	7.02	2014-05-17	C/P
STV	2.50	2014-06-21	C/P	=>	STV	2.02	2014-06-21	C/P
STV	5.00	2014-06-21	C/P	=>	STV	4.52	2014-06-21	C/P
STV	7.50	2014-06-21	C/P	=>	STV	7.02	2014-06-21	C/P

EXISTING SERIES					ADJUSTED SERIES*			
STV	2.50	2014-09-20	C/P	=>	STV	2.02	2014-09-20	C/P
STV	5.00	2014-09-20	C/P	=>	STV	4.52	2014-09-20	C/P
STV	7.50	2014-09-20	C/P	=>	STV	7.02	2014-09-20	C/P

*** Any additional STV series that are added prior to the ex-date will also be adjusted in the manner described above.**

GTC Order Conversion

On Wednesday, April 9, 2014, immediately after the CBOE close, the system will convert or cancel all resting orders in the STV order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all ORS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustment. If your firm has requested, all booked orders and ORS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL confirms will print at your booth at 3:15 p.m. ORS CXLs will also be transmitted electronically to your branches. Immediately after the close, the book staff will return a final written report listing the orders that are converted or canceled to all firms. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

Position and Exercise Limits

The CBOE Department of Market Regulation has determined that: "The position and exercise limits following this cash distribution will remain the same."

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

http://www.cboe.com/ContractAdjustments